



# Recipe for supply chain success



## Introduction

McCormick & Company is a global leader in flavor. With \$4.4 billion in annual sales, the company manufactures, markets and distributes spices, seasoning mixes, condiments and other flavorful products to the entire food industry, including retail outlets, food manufacturers and foodservice businesses. McCormick's brands reach consumers in approximately 150 countries and territories globally. Headquartered in Baltimore, MD, the company employs approximately 11,000 people at locations around the world.

Such an immense operation relies on two supply chain models both powered by SAP: a downstream supply chain delivers packaged spices, seasonings, etc. to grocers and store outlets — eventually finding their way to consumers' shelves — while the upstream or industrial supply chain fulfills the orders of large restaurant chains and food manufacturers who put McCormick flavors into their products.

It was on the industrial side where McCormick evaluated its labeling processes and realized the need for a centralized solution that could keep up with ever-changing, ever-growing requirements and still ensure the fast, accurate printing of more than 500,000 barcode labels a month.

**McCormick integrates labeling with SAP® to ensure fast, accurate printing of 500k+ labels a month**

**The Challenge:**

- Address ever-changing customer requirements
- Keep up with new and emerging regulations like FSMA and GHS
- Gain control to prevent upstream delays, guarantee uptime
- Extend labeling — to global sites and to trade partners

**The Solution:**

- Integrate labeling with SAP — as a source of truth
- Centralize control, dramatically reduce templates
- Design and configure labeling with business in mind
- Scale as needed, collaborate with trading partners

**The Results:**

- Accurate labeling, enterprise-wide
- Full control, full redundancy
- Compliance with confidence
- Empower business users
- Faster response to variability
- Improved collaboration with suppliers
- Reliable 24x7 support

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*“It was critical that the new labeling solution be integrated and certified with SAP. That’s our system of record and Loftware’s solution ensures a direct, reliable connection to our SAP system so we know label data is always correct. That’s important for our global business.”*

– Tim Cukr, Senior Business Analyst, McCormick

## Challenges

### Address unique customer requirements

Unlike the downstream relationship between manufacturer and grocer – where certain standards are established for the flow of goods and information (e.g., GTINs, SSCC labels, EDI) – the upstream supply chain is more wide open. As such, McCormick must deal with a wide range of customer-specific label requirements. This could include the addition of GS1-128 standardized barcodes and 2D barcodes as well as pallet-level labels to help with traceability. This extensive variability of label data slowed production and required creating and managing literally thousands of custom label templates with no centralized oversight.

### Keep up with new and emerging regulations

Food & beverage is one of the more heavily regulated industries. For McCormick, the FDA’s Food Safety Modernization Act (FSMA) and the UN’s Globally Harmonized System (GHS), in particular, posed a significant challenge to their existing labeling solution. The issue was magnified when having to deal with country-specific regulations. For example, product shipped to Asia required new labeling and companies would only have 30 days to comply. During instances like this, McCormick had product – both imports and exports – held at the border until the right labeling could be applied. This resulted in additional costs and decreased customer service.

## Gain control to prevent upstream delays

Because McCormick lacked a standardized labeling process, plants were left to their own devices in managing and updating label templates. As such, there wasn't a clearly defined process to make a label change and have it captured globally across the McCormick supply chain. And the use of multiple, decentralized labeling products meant a lack of consistency, which threatened label accuracy and could lead to mislabeling. Also, no standardization meant it wasn't possible to shift label production from one site to another to avoid any potential business disruption. If the local copy of labeling software failed, the plant could no longer label product, causing a production stoppage.

## Extend labeling – globally and to trade partners

Even though the labeling project focused initially on McCormick's U.S. upstream process, the company knew that it had to scale to support additional plants in North America and Europe – including its downstream distribution facilities. The labeling solution needed to support a variety of languages and graphic images for human and machine readable formats. In addition, McCormick wanted a better, more efficient way to work with suppliers and co-packers. The current method of sending pre-printed labels to partners proved costly and error-prone as it was incumbent on the supplier to put the right label on inbound shipments.

## Solution

Loftware's cloud-based enterprise labeling solution enabled McCormick to employ its own McCormick Enterprise Labeling Services to optimize labeling and drive significant efficiencies in its supply chain.

## Integrate labeling with sources of truth

Loftware's enterprise-wide approach allows McCormick to integrate labeling with its existing SAP platform to trigger and execute Production, Receiving and Shipping labels directly from upstream transactions. This eliminates the need to manually replicate data from one system to the next

and, more importantly, ensures end-to-end label accuracy. McCormick benefits from standardized, automated labeling that draws from vital data sources, while eliminating the need to train users on a new system.

*“Access to Loftware’s business logic outside of SAP allows us to be more agile. Now when label changes come in from regulatory, quality, customer support, etc., we can make edits to the template without IT and special ABAP programming.”*

## Centralize control, dramatically reduce number of templates

Because all label templates are created and managed centrally, McCormick has a more holistic view to greatly reduce the number of templates required by its many locations. Plants simply access the templates they need and print locally with all labeling activity visible at headquarters. Centralized control also allows McCormick to quickly accommodate and apply new labeling requirements — such as color and symbols used in GHS pictograms—now mandated in several regions of the world. Importantly, McCormick has configured the solution to provide true redundancy; if the primary label server goes down, a secondary one takes over so plants can minimize downtime due to label availability.

## Design and configure with business in mind

By leveraging powerful, intuitive design capabilities, McCormick is able to remove the burden on IT and respond quicker to changing customer demands. An easy-to-use WYSIWYG interface enables more business-focused users to format labels and support myriad label combinations. And when it comes to label variability — including regional and regulatory requirements — built-in business logic can be defined and applied to its SAP integration. McCormick has configured rules to dynamically select printers and templates, populate label data, and apply conditional formatting including GS1 barcodes based on the incoming SAP data stream.

## Scale as needed, collaborate with partners

With the goal of centralizing global labeling, it was important that new plants could easily gain access to the solution. The initial project called for eight plants in North America to deploy standardized labeling, but now there are a total of 18 manufacturing plants, distribution centers, warehouses and research facilities relying on enterprise labeling in North America and EMEA.

McCormick is also looking to extend labeling outside its four walls to include suppliers, co-packers, and other partners who can print labels locally. This will eliminate the costly, error-prone method of pre-printing and shipping labels to partners.

## Results

Loftware provides McCormick a flexible, scalable solution that supports more than 500K labels a month, while improving supply chain efficiency. Leveraging certified integration within its SAP platform, McCormick is able to centrally manage and control labeling to keep up with increasing demands. And by empowering business users to update labels quickly and easily, McCormick lessens the dependency on IT, creating more efficiency across the organization.

*“The ability to share templates with suppliers and copackers and have them print labels locally is another capability we’re looking at that will help us speed up receiving and reduce inventory costs.”*

### **Accurate labeling, enterprise-wide**

First and foremost, Loftware enables McCormick to leverage SAP as the “system of record” integrating labeling with existing business processes already relied on by the company. Any changes to the SAP data are automatically captured in the label data.

### **Full control, full redundancy**

By managing the labeling process at headquarters, McCormick gains greater control of how plants are using templates to quickly resolve any issues. For example, if a printer goes down within a plant, operations technicians can quickly switch to another printer to minimize downtime.

### **Compliance with confidence**

In the face of regulations in the US and internationally, McCormick has the labeling solution to quickly comply with regulations like FSMA, GHS and future requirements. End-to-end, data-driven labeling helps enable the precise tracking and tracing of product across the supply chain.

### **Empowering business users**

The advanced design and composition capabilities of the Loftware solution equips McCormick users with an easy-to-use WYSIWYG interface to update templates, add new fields and graphics, and more – without always relying on IT or complex ABAP programming to make the change.

### **Managing label variability**

With built-in business rules, configured to McCormick's exact needs, any customer, regional, or regulatory requirements can be processed quickly. Working closely with Loftware, McCormick has tailored the solution to dynamically select printers and templates, populate label data, and apply conditional formatting – all based on the incoming SAP data stream.

### **Improved collaboration with suppliers**

By providing suppliers, co-packers, and other trade partners secure access to label templates – with the right data and formatting – McCormick will speed up the receiving process and help reduce inventory. Better business all around.

### **Reliable expertise from the leader in cloud-based labeling**

Throughout the project, McCormick benefited from Loftware's direct sales, professional services, and support team. Combined with its innovative software solution, Loftware's commitment to the customer resulted in a smooth implementation and go-live process.



The world's largest cloud-based **Enterprise Labeling**  
and **Artwork Management** provider



Case Study

*Loftware is the world's largest cloud-based Enterprise Labeling and Artwork Management provider, offering an end-to-end labeling solution platform for companies of all sizes. Maintaining a global presence with offices in the US, UK, Germany, Slovenia, China, and Singapore, Loftware boasts over 35 years of expertise in solving labeling challenges. We help companies improve accuracy, traceability and compliance while improving the quality, speed, and efficiency of their labeling. As the leading global provider of Enterprise Labeling and Artwork Management, along with Clinical Trials Labeling and Content Management, Loftware enables supply chain agility, supports evolving regulations, and optimizes business operations for a wide range of industries. These include automotive, chemicals, consumer products, electronics, food & beverage, manufacturing, medical device, pharmaceuticals, retail, and apparel.*